

HERRON HIGH SCHOOL

2012-2013 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	<p>2.1-1: The school demonstrates satisfactory performance in all areas identified: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default</p> <p>2.1-2: The school demonstrates satisfactory performance in all areas identified: 3 Year Aggregate Net Income, Debt to Asset Ratio, and Debt Service Coverage Ratio</p> <p>2.1-3: The school does not present concerns in the financial audit or financial reporting requirements</p>

2012-13 2.1-1 Performance: Exceeds Standard

Indicator	Ratio	Measures	Rating	2012-13	
2.1 Short Term Health	Enrollment Variance Ratio	Enrollment Ratio equals or exceeds 99%	<i>Meets Standard</i>	107%	Exceeds Standard
		Enrollment Ratio is between 90% - 98%	<i>Approaching Standard</i>		
		Enrollment Ratio is less than or equal to 89%	<i>Does Not Meet Standard</i>		
	Current Ratio	Current Ratio equals or exceeds 1.1	<i>Meets Standard</i>	0.62	
		Current Ratio is between 1.0 - 1.1	<i>Approaching Standard</i>		
		Current Ratio is less than or equal to 1.0	<i>Does Not Meet Standard</i>		
	Days Cash On Hand	Days cash on hand equals or exceeds 45	<i>Meets Standard</i>	103	
		Days cash on hand is between 30-45 days	<i>Approaching Standard</i>		
		Days cash on hand is less than or equal to 30 days	<i>Does Not Meet Standard</i>		
	Debt Default Evidence	Not in default or delinquent	<i>Meets Standard</i>	Meets	
Default or delinquent		<i>Does Not Meet Standard</i>			

Herron High School **exceeded** standard for core question 2.1-1 for the 2012-13 school year. Based on data from the September 2012 count day, the school exceeded the enrollment targets stated in its charter agreement. As a result, the school met standard for this sub-indicator. The school had more current assets than current liabilities (those due in the next 12 months) and met standard for this sub-indicator. Herron High School ended the year with 103 days of cash on hand. This means that if payments to the school had stopped or been delayed post June 30, 2013, the school would have been able to operate for 103 more days. Based on this data, the school met standard for this indicator. Finally, the school successfully met its debt obligations based on the information that Sikich, the school's auditor, provided. Furthermore, there have been no negative communications from the school's lenders. Since the school met standard for all of the sub-indicators in core question 2.1-1, it exceeded standard for this section of the core question.

2012-12 2.1-2 Performance: Approaching Standard

2.2 Long Term Health	3 Year Aggregate Net Income	Aggregate 3 year Net Income is positive and most recent year is positive	<i>Meets Standard</i>	NA	Approaching Standard
		Aggregate 3 year Net Income is positive and most recent year is negative	<i>Approaching Standard</i>		
	Net Income	Aggregate 3 year Net Income is negative	<i>Does Not Meet Standard</i>	\$781,819.00	
	Debt to Asset	Debt to asset ratio is less than or equal to 0.9	<i>Meets Standard</i>	0.67	
		Debt to asset ratio is between 0.9 - 0.95	<i>Approaching Standard</i>		
		Debt to asset ratio equals or exceeds 0.95	<i>Does Not Meet Standard</i>		
	Debt Service Coverage (DSC) Ratio	DSC ratio equals or exceeds 1.15	<i>Meets Standard</i>	0.58	
		DSC ratio is between 1.05-1.15	<i>Approaching Standard</i>		
		DSC Ratio is less than or equal to 1.05	<i>Does Not Meet Standard</i>		

The school **approached** standard for core question 2.1-2. The school met standard for the net income sub-indicator in that it generated a positive net income for the fiscal year. It is important to note, however, that \$569,068 of this net income was a non-cash extraordinary gain that resulted from the forgiveness of the Common School Loan. Note 3 (pages 10 and 11) in the audit provides additional context as to the legislative changes that led to this gain. Additionally, the school met standard for the sub-indicator regarding debt to asset ratio. The school's debts did not exceed its assets. Finally, the school's debt service coverage ratio did not meet standard. This resulted mostly from combining the liabilities from the school's balance sheet with those

listed on the balance sheet of the school's building corporation. Since the school met standard for two sub-indicators but did not meet standard on the third sub-indicator, it **approached standard** for core question 2.1-2.

2012-13 2.1-3 Performance: Meets Standard

2.3 Reporting Requirements	Annual Independent Accrual Based Audit	Receives a clean audit opinion	<i>Meets Standard</i>	Meets	Meets Standard
		Receives a clean audit opinion with a few significant deficiencies noted but no material weaknesses	<i>Approaching Standard</i>		
		Receives an audit with multiple significant deficiencies, material weakness or is a going concern	<i>Does Not Meet Standard</i>		
	Financial Reporting Requirements	Satisfies all financial reporting requirements	<i>Meets Standard</i>	Meets	
		Fails to satisfy financial reporting requirements	<i>Does Not Meet Standard</i>		

The school **met** standard for core question 2.1-3. The school met standard for its annual accrual based audit because it received a clean audit report with not material weaknesses or significant deficiencies. The school met standard for all of its reporting requirements. Herron's auditors issued their report November 11, 2013.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates consistently exceed the school's agreed-upon target rates.

2012-13 Performance: Exceeds Standard

Herron High School exceeded its enrollment for the 2012-13 school year. The following chart shows the school's target enrollment compared with its official enrollment as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2012-13	600	640	N/A

Source: Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.

The 2012-13 attendance rate at HHS was above the averages of both the county and state.

	HHS	MC	IN
2012-13 Attendance rate	97.4%	95.7%	95.8%

No targets have been established for student retention rates for HHS.

Based on the 2012-13 performance, Herron High School **exceeded** the Mayor's Office standard for this indicator because the school exceeded its enrollment target and had an attendance rate higher than that of both the county and the state.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	The Board's membership collectively contributes a broad skill set and fair representation of the community; Board members are knowledgeable about the school; roles and responsibilities of the Board are clearly delineated; Board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the Board provides consistent and competent stewardship of the school.

2012-13 Performance: Exceeds Standard

The board of directors at Herron High School was experienced and provided extremely competent oversight of the school. There was a range of expertise on the board, and members were knowledgeable about the school, its policies, and issues of concern. The board consisted of members with expertise in education, law, finance, and non-profit management. The roles and responsibilities of the board and its members were clearly defined with each member taking ownership of his or her role on the board. The board had 16 members and is in compliance with charter by-laws, who are actively engaged, committed, and aligned with the mission and vision of Herron High School.

The board chair, Ms. Joanna Taft, was active, engaged and dedicated to the overall success of Herron High School. As a founding board member, her commitment to the mission and vision of the school remained steadfast, and she has displayed an ability to adapt in her role as board chair as the school has evolved since its inception. Ms. Taft worked extremely well with Ms. Janet McNeal, Head of School, to convey the mission and vision of Herron High School to key stakeholders. In addition, Ms. Taft spearheaded many community partnerships in an effort to expose students to activities and programs aligned with Herron High School's mission. As the Founding Executive Director of the Harrison Center for the Arts, she utilized her role to engage the community and promote the school's "classical liberal arts" mission. Ms. Taft was knowledgeable regarding the day-to-day operations of the school, but she allowed school leadership the autonomy to run the school while still providing support. Ms. Taft's expertise in

her work in corporate, non-profit, and grassroots community-based organizations was an asset to the school and she willingly provides assistance to ensure that school leadership was thoughtful throughout the decision-making process.

Board meetings always reflected thoughtful discussion and consideration of issues that impact not only the school but the community as well. The board was competent in its stewardship of the school, and took time to assess the needs of Herron High School students, parents and families.

The board had a subcommittee structure that has allowed members to oversee each critical area of operation and worked to ensure the board reflects diversity. Executive, facilities, education and fiduciary committees provide the board with updates at monthly meetings. The board consistently achieved quorum and the Herron High School board conducted an evaluation of the Head of School against established academic, financial, and operational goals. Board minutes were accurate and transparent, and members came to meetings prepared to participate in robust discussion. Based on the performance demonstrated in the 2012-13 academic year, the Herron High School board **exceeded standard** from the Mayor's Office standard for this indicator.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2012-13 Performance: Exceeds Standard

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2012-13, 90% of Herron High School parents reported overall satisfaction with the school. Based on this data, the school **exceeded** the Mayor's Office standard for performance for this indicator for the 2012-13 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school's administration a) has sufficient academic and organizational expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among administrators; d) actively engages in a process of continuous improvement and mid-course corrections; e) has established high expectations for all stakeholders – staff, students, and parents; f) has organized operations and secured necessary resources to effectively implement the mission of the school; g) ensures the school achieves strong academic and operational performance; and h) has developed a plan for succession for administrators and staff.

2012-13 Performance: Exceeds Standard

The administration and leadership at Herron High School demonstrated exceptional academic and business expertise, has been stable over time, and roles and responsibilities between building level leaders and the board were clearly defined. The school's leadership team included a Head of School, Dean of Students and Assistant Head of School, Dean of Faculty and Assistant Head of School, Dean of College Advising and Assistant Head of School and Chief Financial Officer.

The Head of School was an exemplary leader who provided oversight on numerous aspects of the school, including the continued development of the school's academic model. She consistently worked closely with the Board to implement policies and programs, and she ensured the effective and efficient day-to-day operations of the school. Overall, school leadership was effective in creating, promoting, and meeting school goals. They provided competent leadership in academic, business, and operational elements at the school. The school's continuous improvement process led to the school's continued high academic achievement.

In 2012-13, leadership at the school was well-organized, effective, and **exceeded** the Mayor's Office standard for this indicator.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

Not Evaluated. Herron High School did not have school-specific organizational and management performance goals to be evaluated for 2012-13.